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SUBJECT: Ambassador Discusses Energy Secretary Visit, Offshore Oil Development with Petroleum and Energy Minister

Ref: Oslo 680

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¶1. (U) In an introductory call with Petroleum and Energy Minister Terje Riis-Johansen on November 25, the Ambassador discussed Energy Secretary Chu's planned upcoming visit and development of the Norwegian Continental Shelf (NCS). Poleconoff, FCS Chief, and Economic Specialist accompanied the Ambassador. The Minister was accompanied by Elisabeth Berge, Permanent Secretary, the highest ranking civil servant in the Ministry; Lars Erik Aamot, Director General, Oil and Gas Department; Odd Sverre Haraldsen, Director General, Climate, Industry and Technology Department; William Christensen, Assistant Director General, Industry and Technology Department.

¶2. (SBU) Stressing that he would make himself available for Secretary Chu, the Minister shared a very tentative program his ministry proposed, keyed to what they knew about the POTUS visit to Oslo to accept the Nobel Peace Prize on December 10. Among other elements, Riis-Johansen proposed:
--a bilateral meeting and a separate lunch;
--a Norwegian presentation on energy and climate research focused on carbon capture and storage (CCS), offshore wind and subsea petroleum production;
--travel to a pumped storage station and hydroelectric plant.

¶3. (U) The Minister also inquired about a program for Mrs. Chu if she accompanies the Secretary to Norway. The Ambassador thanked Riis-Johansen for his proposals and said the Embassy would share them with the Department of Energy to help begin planning a program.
Note: The Ministry has subsequently had several direct discussions with the Department of Energy to develop a program for Secretary Chu, and post is in direct communication with the Ministry, DOE, and White House advance to coordinate on the ground. End Note.

¶4. (SBU) The Ambassador related that he had visited Norway's "oil city" of Stavanger earlier in the week (see septel). He said he was impressed by the dynamism of the city's mayor as well as Stavanger's major role in the Norwegian economy. He noted that U.S. oil companies were keenly interested in developing new offshore acreage. Aamot pointed out that there had been few large oil and gas discoveries in offshore frontier areas since 1997 and that this was a disappointment. He added that the decision on whether to develop the environmentally and politically sensitive Lofoten-Vesteralen areas rested with the GON and the Parliament.

¶5. (SBU) The Ambassador welcomed majority state-owned Statoil's work in developing the United States' unconventional gas resources, including shale gas. The Minister agreed that this work was helping to unlock vast and unforeseen energy resources which could even make the U.S. self-sufficient in natural gas. He said that Statoil's work in unconventional energy areas like shale was sometimes controversial, however, and that some Norwegian politicians wanted

to curb that activity. He continued that Statoil takes commercial decisions, such as where it will operate, without interference from the GON, though he said that the government did make its views known on strategic decisions. Riis-Johanson cited the recent change of the company's name from StatoilHydro to Statoil as one such instance.

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